

## Iowa Department of Natural Resources Environmental Protection Commission

---

ITEM

7

DECISION

TOPIC

**Contract – Fostering Bio-Product Markets: Market Conditioning to Increase Market Penetration in Iowa**

---

The Commission is requested to approve the contract for services between the Department and E-Community Grinnell (Contractor) to implement an initiative to reduce reliance on foreign oil imports by decreasing dependence on petroleum-based products and significantly increasing the use and procurement of biomass-based products and technologies in an Iowa Rebuild America or E-Community community. The contract amount is not to exceed \$30,000 for the period April 24, 2006, through July 28, 2007. This expenditure will result in the development of an initiative to cultivate, promote, and advance markets for bio-based products and technologies by developing and presenting market-conditioning efforts and activities to the City of Grinnell and surrounding communities. Market-conditioning tasks the Contractor will perform include, at a minimum:

1. Assemble a Bio-Products Working Group from government agencies, energy- and agricultural-related trade and professional organizations, educational institutions, and industry;
2. Identify community sector(s) (e.g. schools, hospitals, commercial, industry) to be targeted as project participant(s);
3. Develop, promote, and present a bio-products seminar to target sector;
4. Enlist target sector participants to participate in market-conditioning effort;
5. Conduct on-site consultations with appropriate target sector staff, (e.g. purchasing, maintenance, fleet management, environmental management), including on-site inventories and evaluations of target sector participants' current petroleum-based product use and corresponding bio-product substitution potential;
6. Implement, with target sector staff assistance, bio-product procurement program at target sector facilities;
7. Perform follow-up interviews and data collection, measuring, validating, and reporting by product type the increased procurement and use of bio-products and the resulting reduction (**project goal of 15 percent**) of petroleum-based product procurement over the term of the project, including information comparing pricing and product performance; and
8. Develop market-conditioning case study document, summarizing all tasks performed, implementation successes, and lessons learned.

### **Background**

The Midwest is a region of fertile soils, abundant rainfall, warm and sunny growing seasons, and highly skilled, agricultural workers, together providing the most concentrated source of agricultural production anywhere in the world. The Midwest's combination of both highly productive and idled lands presents enormous opportunity for biomass production.

According to an Oak Ridge National Laboratory (ORNL) report dated January 2000, the eight-state region that makes up the U.S. Department of Energy's Midwest Regional Office is home to

one third of the nation's total volume of available biomass. The comparative study of all 48 contiguous states clearly identifies Illinois and Iowa, ranked one and two respectively, as the overall leaders.

Technologies for converting biomass to fuels, power, and other products have progressed significantly; however, market-conditioning efforts to increase market penetration have fallen short. Market growth of bio-products has been slowed by a lack of effective communication between producers and consumers, as to bio-product availability and their benefits. Despite some early success and growth in Iowa's bio-based industry, there is need to ensure a stable market for these nascent industries.

### **Contractor Selection**

The Bureau mailed copies of the RFP to consultants on our mailing list, made the RFP available on the Targeted Small Business Web site, on our Web site, and advertised the RFP in the Des Moines Register for two days. Two proposals were received. A selection committee consisting of three Bureau staff reviewed the proposals on a number of criteria, including quality of the project approach, project team, applicant experience, and budget.

<b>Organization</b>	<b>Points Awarded / Averages</b>			
	<b>Reviewer 1</b>	<b>Reviewer 2</b>	<b>Reviewer 3</b>	<b>Average</b>
Maharishi Vedic City Rebuild	26.0	73.0	73.0	<b>57.3</b>
E-Community Grinnell	38.0	88.0	93.0	<b>73.0</b>

The selection committee unanimously selected E-Community Grinnell to implement the project because of their approach for meeting the overriding project objectives and, the expertise of the assembled team and proposed partners, the team's experience relevant to the project, and their cost share contributions.

No general fund monies will be used to meet these obligations.

At this time, the Department requests the Commission's approval to enter into a contract with E-Community Grinnell not to exceed \$30,000 to facilitate the development of market-conditioning efforts that will reduce our reliance on petroleum-based products by increasing bio-product market penetration in Iowa.

Wayne Gieselman  
Administrator  
Environmental Services Division

March 20, 2006